GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:832
ANSWERED ON:27.07.2000
FROZEN OF DIVIDEND PAYABLE BY NTPC
JASWANT SINGH YADAV

Will the Minister of POWER be pleased to state:

(a) whether the Government have frozen the dividend payable by NTPC; and

(b) if so, the reasons therefor?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA)

(a) & (b): NTPC has a programme to add about 10000 MW bythe year 2007, which would need a funding arrangement to the extent of approximately Rs. 50,000 crores. Even at a debt equityratio of 70:30, internal resources required for this are approximately Rs. 15,000 crore. As NTPC is not getting anybu dgetary support from the Government of India , the entire internal resources have to be generated from its retained profits after accounting for payment of dividend as well as other recoveries of its dues from the Electricity Boards.

For the Year 1998-99, NTPC had paid a dividendof Rs.650 crores and for the Year 1999-2000 and interim dividend of Rs. 300 crores. The NTPC has requested the Government toexempt them from payment of dividend @ 30% of the net profit as required by MOF guidelines.